

The following Coordinator manual is a comprehensive guide to GIC benefit procedures. For easy reference, please file this in a three-ring binder. If you have any additional questions about GIC benefits or procedures, log onto our website or call our Operations Department.

GIC forms are in the back of this manual. Please photocopy these as needed. Many GIC forms are also on our website.

Please keep in mind that respecting the privacy rights of employees is imperative for all GIC Coordinators. Under no circumstances are you to give or solicit personal information about your employees, even with other agencies, including law enforcement personnel, without first checking with your agency's legal counsel. Doing so is a potential violation of state and federal law.

Please remember to give all new employees and all employees at annual enrollment a *GIC Benefit Decision Guide*.



**Commonwealth of Massachusetts
Group Insurance Commission**

*Your
Benefits
Connection*

**Group Insurance Commission
P.O. Box 8747 • Boston, MA 02114-8747
Phone: 617.727.2310 • TDD/TTY: 617.227.8583
www.mass.gov/gic**



TABLE OF CONTENTS

BENEFITS OVERVIEW

Enrollment Eligibility and Effective Dates	1
Benefit Options	2

NEW HIRE

New Hire Elections	3
New Hire Not Electing Health Insurance	3

CHANGES

Family Status Changes	4
Employment Changes	7

LATE AND ANNUAL ENROLLMENT

Late Enrollment	8
Annual Enrollment	9

TERMINATIONS

Terminating Employment	11
Layoff	13

RETIREMENT

Retirement Procedures	15
-----------------------------	----

GIC REPORTS

Report Procedures	16
Sample Discrepancy Report - Health Insurance	17

FORMS

Municipality Insurance Enrollment and Change Form (Form -1MUN)	
Employee Acknowledgement Form	
Insurance Data Form (IDF)	
Dependent Age 19 or Over Application for Coverage	
Handicapped Dependent Application	
Health Insurance Responsibility Disclosure (HIRD) Form (see www.mass.gov/dhcfp for form)	



ENROLLMENT ELIGIBILITY AND EFFECTIVE DATES

Permanent employees of participating municipalities must work at least 18.75 hours in a 37.5 hour workweek or 20 hours in a 40-hour workweek to be eligible for GIC health insurance.

COVERAGE EFFECTIVE DATE

New employee coverage begins on the first day of the month following 60 calendar days from the first date of employment, or two calendar months, whichever comes first.

Date of employment is from	Coverage begins on
Jan. 2- Feb. 1	April 1
Feb. 2 – March 2	May 1
March 3 – April 2	June 1
April 3 – May 2	July 1
May 3 – June 2	August 1
June 3 – July 3	September 1
July 4 – August 2	October 1
Aug. 3 – Sept. 2	November 1
Sept. 3 – Oct. 2	December 1
Oct. 3 – Nov. 2	January 1
Nov. 3 – Dec. 3	February 1
Dec. 4 – Jan. 1	March 1

If an employee loses health insurance elsewhere, he or she can enroll in GIC coverage at any time during the year with proof of loss of other coverage. See LATE ENROLLMENT section for details.

BENEFIT OPTIONS

HEALTH PLANS

Employees and their families can choose from an array of health plans. Each employee's needs are different. It is important that you, the GIC Coordinator, learn about the similarities and differences among the plans and where the plans are available. Recommend that the employee research his/her options and obtain the following information before making a selection.

QUESTION

Is the Plan available where the employee lives?

Is the employee eligible to join?

Are the employee's doctors and hospitals in the plan?

Monthly premium cost

RESOURCE

Benefit Decision Guide

Benefit Decision Guide

Contact the plan by phone or website

Benefit Decision Guide

See the *Benefit Decision Guide* for health plan options. These are distributed immediately before annual enrollment and are on the GIC's website.

NEW HIRE ELECTIONS

New employees must make their benefit elections within ten (10) calendar days of the employee's first day of employment.

- 1) Employees must complete the following forms completely and legibly:
 - ❖ Municipality Insurance Enrollment and Change Form (Form -1MUN)
 - ❖ Insurance Data Form (IDF) for family coverage. Must also provide:
 - For spousal coverage – copy of marriage certificate.
 - For former spouse – provide following sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.
 - For dependent coverage under age 19 – copy of birth certificate(s) – the GIC must be able to link the dependent to the insured or his/her spouse.
 - For dependent coverage age 19 or over – Dependent Age 19 or Over Application for Coverage and a copy of birth certificate
 - ❖ Employee Acknowledgement form.
 - ❖ HMO – only if NHP Care selected.

All new employees should be automatically enrolled in pre-tax health deductions unless they opt out of participating. This is known as a Section 125 Plan. See your payroll department for more information.

- 2) Verify that the forms above are completed accurately and completely. Ensure that the employee has checked the information entered on his/her forms and has signed and dated all forms.
- 3) Photocopy completed GIC forms and file them in the employee's personnel file. File original Employee Acknowledgement form in employee's personnel file. **Do not send this form to the GIC.**
- 4) Send all other **original** signed forms to the GIC; send the HMO application, only if NHP Care is selected, directly to the Plan.

- 5) Update your payroll system with the new health premium deduction.

NEW EMPLOYEES WHO DO NOT ELECT GIC HEALTH INSURANCE

If a new employee does not elect GIC health insurance, he/she must complete a Health Insurance Responsibility Disclosure (HIRD) form:

- 1) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet.
- 2) Verify that the employee has completed the form accurately and completely. If the employee refuses to complete the form, document efforts to obtain the information from the employee.
- 3) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**

FAMILY STATUS CHANGES

FAMILY TO INDIVIDUAL HEALTH COVERAGE

- 1) The employee must complete and sign the Municipality Insurance Enrollment and Change Form (Form -1MUN)
- 2) The employee must provide proof of where the spouse and/or dependents will be covered for health insurance before the changes will be allowed. Acceptable proof of other coverage includes a copy of other health insurance card or a letter from the spouse's employer on their letterhead. Without this proof the GIC can deny the request for coverage change. In the case of death, a copy of the death certificate is required.
- 3) Verify that the form is completed accurately and completely. Ensure that both you and the employee have signed and dated the form.
- 4) Photocopy the completed GIC form and proof of other coverage and file them in the employee's personnel file
- 5) Send the **original** signed form to the GIC along with the proof of other coverage.
- 6) Update your payroll system with the new health premium deduction.

INDIVIDUAL TO FAMILY HEALTH COVERAGE

- 1) The employee must complete and sign the following:
 - ❖ Municipality Insurance Enrollment and Change Form (Form -1MUN)
 - ❖ Insurance Data Form (IDF)
- For spousal coverage – copy of marriage certificate.
- For former spouse – provide following sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.
- For dependent coverage under age 19 – copy of birth certificate(s) – the GIC must be able to link dependent to insured or spouse.
- For dependent age 19 or over –

Dependent Age 19 or Over Application for Coverage and a copy of birth certificate.

- ❖ HMO Application – only if NHP Care selected.
- 2) Verify that the forms above are completed accurately and completely. Ensure that both you and the employee have signed and dated all forms.
 - 3) Photocopy completed GIC forms and file them in the employee's personnel file.
 - 4) Send **original** signed forms to the GIC; if enrolled in NHP Care, send the application directly to the Plan.
 - 5) Update your payroll system with the new health premium deduction.

MOVING OUT OF THE PLAN'S SERVICE AREA OR OUT OF STATE

- 1) Obtain from employee proof of address change, such as utility bill or Purchase and Sale agreement.
- 2) Have employee complete Insurance Municipality Insurance Enrollment and Change Form (Form -1MUN) indicating their choice of new health plan.
- 3) Photocopy forms and proof of address change and file them in employee's personnel file.
- 4) Send proof of address change and original signed Municipality Insurance Enrollment and Change Form (Form -1MUN) to the GIC.
- 5) The GIC will determine the coverage effective date and will notify you and the new health plan.
- 6) The new health plan will send the employee ID cards and handbooks.

ADDRESS CHANGES

The GIC must be notified of all enrollee address changes.

- 1) Instruct the employee to complete and sign Municipality Insurance Enrollment and Change Form (Form -1MUN) with his/her new address.

- 2) Review and sign Municipality Insurance Enrollment and Change Form (Form -1MUN)
- 3) Photocopy the form and file it in the employee's personnel file.
- 4) Send the **original** signed Municipality Insurance Enrollment and Change Form (Form -1MUN) to the GIC.

WITHDRAW COVERAGE

For insureds who want to cancel their GIC health insurance coverage:

- 1) Employee completes and signs Municipality Insurance Enrollment and Change Form (Form -1MUN) with cancel coverage box(es) checked and a Health Insurance Responsibility Disclosure (HIRD) form.
- 2) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet on the HIRD form.
- 3) If employee is withdrawing from health insurance and he/she has family coverage, the employee must provide proof of where spouse and/or dependents will be covered once GIC coverage is cancelled. Acceptable proof examples: a copy of the health insurance card or a letter from the spouse's employer on their letterhead. Without this proof, the GIC can deny the request to withdraw from coverage. In the case of death, a copy of the death certificate is required.
- 4) Verify that the employee has completed the forms accurately and completely. If the employee refuses to complete the HIRD form, document efforts to obtain the information from the employee.
- 5) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**
- 6) Review and sign Municipality Insurance Enrollment and Change Form (Form -1MUN).
- 7) Photocopy Municipality Insurance Enrollment and Change Form (Form -1MUN) and proof of

other coverage (if applicable) and file in employee's personnel file.

- 6) Send **original** Municipality Insurance Enrollment and Change Form (Form -1MUN) and proof of other coverage (if applicable) to the GIC.

DIVORCE

In accordance with Massachusetts General Law M.G.L.-Chapter 32A Section 11a, the GIC must be informed of all legal separations and divorces. Failure to notify the GIC may result in financial consequences to the employee and/or former spouse.

- 1) Collect from the employee the former spouse's address and copies of the following sections of the legal separation agreement or divorce decree:
 - ❖ Page with the absolute date
 - ❖ Health insurance language
 - ❖ Signature pages
- 2) Forward these documents to the Director of Operations at the GIC.

REMARRIAGE

If an employee or former spouse remarries, the GIC must be notified. Inform the employee that, in accordance with Massachusetts Laws MGL-32A Section 11a, health coverage for the former spouse ends. Failure to report a legal separation, divorce or remarriage may result in financial consequences to the employee or former spouse.

Depending on the health insurance language in the legal separation agreement or divorce decree, the GIC will offer the former spouse COBRA coverage or a divorced spouse rider. The GIC will contact both the employee and former spouse directly.

For remarriage of an employee:

- 1) Collect from the employee:
 - ❖ Completed, signed Municipality Insurance Enrollment and Change Form (Form -1MUN)
 - ❖ Copy of new marriage certificate
 - ❖ Insurance Data Form (IDF)
- 2) Forward these documents to the Director of Operations at the GIC.

For remarriage of a former spouse:

Instruct the employee to send the remarriage date in writing to the Director of Operations at the GIC.

HANDICAPPED DEPENDENT COVERAGE

An unmarried child of an insured who, upon attaining age 19 is mentally or physically disabled and incapable of earning his/her own living or who became permanently and totally disabled on or after age 19 and is under age 26, may be eligible for continued GIC coverage. Family coverage is required.

- 1) Give the employee the GIC Handicapped Dependent Application.
- 2) The employee and dependent's physician must complete the application and send it to the GIC.
- 3) The GIC will review the application for eligibility and will notify the insured of its decision.
- 4) The GIC sends periodic re-certification forms for continuation of handicapped dependent coverage to the employee.

DEPENDENT AGE 19 AND OVER COVERAGE

Unmarried dependent coverage ends at the end of the month in which the dependent turns age 19. Dependents who qualify as dependents under Internal Revenue Service rules are eligible for coverage up to age 26 or two years after losing dependent status according to IRS rules, whichever occurs first. Family coverage is required and the insured must respond to periodic recertification requests.

If an employee wishes to apply for Dependent Age 19 or Over coverage, instruct the employee to complete the Dependent Age 19 or Over Application for Coverage. Mailing instructions are on the form.

Remind the employee that they are required to report a change in their dependent's status; they must complete and return to the GIC another Dependent Age 19 or Over Application for Coverage. Failure to do so may result in financial consequences to the employee.

HOURS REDUCED TO LESS THAN PART-TIME

If an employee falls below 18 3/4 hours in a 37.5-hour workweek or 20 hours in a 40-hour workweek, the employee is no longer eligible for GIC benefits. The employee may elect to continue coverage, depending on length of service, according to the guidelines and procedures listed in the TERMINATIONS section of this manual. Give the employee information on Your Agency's Section 125 Plan coverage and give the employee a Health Insurance Responsibility Disclosure (HIRD) form:

- 1) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet.
- 2) Verify that the employee has completed the form accurately and completely. If the employee refuses to complete the form, document efforts to obtain the information from the employee.
- 3) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**

HOURS REINSTATED TO PART-TIME OR MORE

If an employee resumes at least part-time status (18 3/4 hours in a 37.5 hour workweek or 20 hours in a 40 hour workweek) after his/her GIC coverage has been terminated, the employee is considered a new hire. He/She is subject to the new hire waiting period outlined at the beginning of this manual. Follow the NEW HIRE section. If an employee resumes at least part-time status before the coverage termination date, coverage will continue uninterrupted.

LATE ENROLLMENT

HEALTH INSURANCE

An employee must provide you with proof of loss of health coverage elsewhere to be eligible to enroll in GIC health coverage at any time during the year, other than during annual enrollment.

Examples of acceptable proof of loss of other coverage include:

- ❖ Letter from health insurance carrier on company letterhead, or
- ❖ Letter from other employer on company or organization letterhead.

To add GIC health coverage during the year because of loss of health coverage elsewhere, see the NEW HIRE section for the necessary forms. Include a copy of the proof of loss of coverage with the forms sent to the GIC.

HEALTH ENROLLMENT

If an employee is not currently enrolled in GIC coverage, complete the following by the end of annual enrollment:

- 1) To select their benefits, employees must complete the following forms completely and legibly:
 - ❖ Municipality Insurance Enrollment and Change Form (Form -1MUN)
 - ❖ Insurance Data Form (IDF) for family coverage. Must also provide:
 - For spousal coverage – copy of marriage certificate.
 - For former spouse – provide following sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.
 - For dependent coverage under age 19 – copy of birth certificate(s) – the GIC must be able to link dependent to insured or spouse.
 - For dependent coverage age 19 or over – Dependent Age 19 or Over Application for Coverage and a copy of birth certificate.
 - ❖ Employee Acknowledgement form.
 - ❖ HMO Application – only if NHP Care selected.

All employees should be automatically enrolled in pre-tax health insurance unless they opt out of participating. This is known as a Section 125 Plan. See the payroll department for more information

- 2) Verify that the forms above are completed accurately and completely. Ensure that the employee has checked the information entered on his/her forms, and has signed and dated all forms.
- 3) Photocopy completed GIC forms and file them in the employee's personnel file. File original Employee Acknowledgement form in employee's personnel file. **Do not send this form to the GIC.**

- 4) Send all other **original** signed forms to the GIC; if NHP Care is selected, send the HMO application directly to the Plan.
- 5) Update your payroll system with the new health premium deduction.

HEALTH INSURANCE CHANGES

During annual enrollment employees may enroll in a GIC health plan if they are not currently enrolled. The change will go into effect that July 1.

Procedure:

- 1) Employee completes and signs Municipality Insurance Enrollment and Change Form (Form -1MUN)
- 2) Employee completes HMO application – only if NHP Care is selected.
- 3) Verify that the forms above are completed accurately and completely. Ensure that you and the employee have signed and dated all forms.
- 4) Photocopy completed GIC forms and file them in the employee's personnel file.
- 5) Send **original** signed forms to the GIC by the end of annual enrollment; send the NHP Care application directly to the carrier.
- 6) Update your payroll system with the new premium deduction.

EMPLOYEES WITHOUT HEALTH COVERAGE WHO DO NOT ENROLL DURING ANNUAL ENROLLMENT

If an employee does not elect health insurance during the GIC's annual enrollment or during your municipality's Section 125 Plan Open Enrollment, he/she must complete a Health Insurance Responsibility and Disclosure (HIRD) form.

- 1) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet.

- 2) Verify that the employee has completed the form accurately and completely. If the employee refuses to complete the form, document efforts to obtain the information from the employee.
- 3) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**

TERMINATING EMPLOYMENT

All persons terminating employment must be given a copy of the Federal Law COBRA Notice (the notice is on the GIC website) at the time of their notice of leaving municipality service.

Benefits offices must advise employees leaving municipality service of their right to continue group insurance coverage. When an employee advises you that he or she is leaving state service:

- 1) Complete Municipality Insurance Enrollment and Change Form (Form -1MUN) on behalf of the employee. Check termination box 9. For the termination reason, enter "leaving municipality service". For the termination date, enter the last day of work (exclude vacation time).
- 2) Photocopy the completed Municipality Insurance Enrollment and Change Form (Form -1MUN) and file it in the employee's personnel file.
- 3) Send the **original** Municipality Insurance Enrollment and Change Form (Form -1MUN) to the GIC.
- 4) Enter the termination information in your payroll system.

The employee's health options depend on his or her length of municipality service. See the corresponding options and procedures below. Options are listed in order of recommended selection.

LESS THAN 10 YEARS OF SERVICE

Option I: Keep GIC health coverage under COBRA.

Benefit: Allows the employee to stay in the same plan with the same group rate (e.g. less expensive than individual non-group coverage). Drawbacks: Employee pays 100% of the premium plus 2% for administration (no municipality contribution). Maximum coverage length – 18 months.

Procedure: If the employee elects COBRA, check the COBRA block on Insurance Enrollment and Change Form (Form-1) before sending it to the GIC. Give the employee a COBRA application (on the GIC's website). Instruct the employee to complete and return the COBRA application directly to the GIC.

Option II: Convert to Non-Group health with current plan.

Benefit: Can keep coverage beyond 18 months. Drawback: Rates and benefits almost always lower than GIC plan coverage.

Procedure: Check non-group conversion on Municipality Insurance Enrollment and Change Form (Form-1MUN) before sending it to the GIC. Instruct the employee to contact their health plan for a non-group conversion application, benefit changes, procedures and costs.

TEN OR MORE YEARS OF SERVICE

Instruct the employee to contact their retirement board to confirm retirement eligibility.

If the employee is under age 55 with ten years, but less than twenty years of service, we recommend that the employee elect Deferred Retirement. Under this option, the employee must keep his/her money in the retirement system until he/she retires. This enables the employee to pick up health coverage at the retiree contribution rate when he or she retires. When the employee applies for their pension (at retirement) he or she should notify the GIC in order to pick up health coverage.

If the employee will not receive health coverage through another employer, he or she can keep health coverage at the full cost premium until retirement.

Option I: Deferred Retirement Coverage:

Advise employees that they have two options:

- a) Get health coverage elsewhere until retirement. Resume GIC health coverage at retirement.

Procedure: Instruct the employee to check the deferred retirement block on the Municipality Insurance Enrollment and Change Form (Form 1-MUN), indicate his/her health selection and sign it before returning it to the GIC.

- b) Keep health insurance, paying 100% of the premium until retirement.

Procedure: Instruct the employee to check the Deferred Retirement block on the Municipality Insurance Enrollment and Change Form (Form 1-MUN), indicate his/her health selection and sign it before returning it to the GIC.

For the other alternatives, see the benefits, drawbacks, and procedures for LESS THAN 10 YEARS OF SERVICE:

Option II: Keep GIC health coverage only under COBRA.

Option III: Convert to Non-Group health coverage with current plan.

**TWENTY OR MORE YEARS OF SERVICE
AT ANY AGE OR TEN OR MORE YEARS
OF SERVICE AGE 55 OR OVER ARE
ELIGIBLE FOR RETIREMENT AND GIC
HEALTH COVERAGE**

Instruct the employee to contact their retirement board to confirm retirement eligibility. See the RETIREMENT section of this manual for other important retirement information and procedures.

Option I: Retirement Coverage:

1. On Municipality Insurance Enrollment and Change Form (Form -1MUN), check box 6 (Retirement). Indicate the date of retirement and instruct the employee to review his or her health benefits, electing changes on Municipality Insurance Enrollment and Change Form (Form-1MUN) and signing it before returning it to the GIC.
2. If the employee elects to change health plans, he or she must also fill out the corresponding application (only if NHP Care is selected) and send it to the carrier.

Option II: Deferred Retirement Coverage (see procedure under 10 OR MORE YEARS OF SERVICE):

- a) Get health coverage elsewhere until retirement.
- b) Keep health insurance paying 100% of the premium until retirement.

For the following options see the benefits, drawbacks and procedures for LESS THAN 10 YEARS OF SERVICE:

Option III: Keep GIC health coverage under COBRA

Option IV: Convert to Non-Group health coverage with current plan.

LAYOFF

You must advise laid off employees of their right to continue group insurance coverage at the time the employee receives a layoff notice. All persons leaving employment must be given a copy of the Federal Law COBRA Notice (see the GIC's website for the form) at the time of their layoff.

As soon as you know of a layoff:

- 1) Complete Municipality Insurance Enrollment and Change Form (Form-1MUN) on behalf of the employee. Check termination box 9. For the termination reason, enter "layoff". For the termination date, enter the last day of work.
- 2) Photocopy the completed Municipality Insurance Enrollment and Change Form (Form-1MUN) and file it in the employee's personnel file.
- 3) Send the **original** Municipality Insurance Enrollment and Change Form (Form-1MUN) to the GIC.
- 4) Enter the layoff information into your payroll system.

The employee's health options depend on his or her length of service. See the corresponding options and procedures below. Options are listed in order of recommended selection.

LESS THAN 10 YEARS OF SERVICE

Option I: Keep GIC health coverage for 39-weeks.

Benefit: Allows the employee to stay in the same health and life plan with the same group benefit (e.g. less expensive than individual non-group coverage).

Drawback: Employee pays 100% of the premium. At the end of the 39-weeks, the former employee can switch to COBRA for the remaining 9 months of health coverage, for a total of 18 months coverage.

Procedure: If the employee elects 39-week coverage, have the employee check the 39-week coverage block on Municipality Insurance Enrollment and Change Form (Form-1MUN) and indicate his/her health selections and sign it before sending the form to the GIC.

Option II: Keep GIC health coverage under COBRA.

Benefit: This is a federal law that allows the employee to the same group rates (e.g. less expensive than individual non-group coverage). **Drawbacks:** Employee pays 100% of the full-cost premium plus 2% for administration (no municipality contribution). Maximum coverage length – 18 months.

Procedure: If the employee elects COBRA, complete the following:

- 1) Check the COBRA block on Municipality Insurance Enrollment and Change Form (Form-1MUN).
- 2) Photocopy the Municipality Insurance Enrollment and Change Form (Form-1MUN) and file in the employee's personnel file.
- 3) Send **original** Municipality Insurance Enrollment and Change Form (Form-1MUN) to the GIC.
- 4) Give the employee a COBRA application (available on the GIC's website). Let the employee know that he/she will also receive a COBRA application at home.

Advise the employee that although he/she has 60 days to elect COBRA coverage, the coverage is effective the first day of the month following the coverage ending date. The longer the employee waits to send in the application, the more he/she will owe in retroactive premium

Option III: Convert to Non-Group health coverage with current plan.

Benefit: Can keep coverage beyond 18 months.
Drawback: Rates and benefits almost always lower than GIC plan coverage.

Procedure:

- 1) Check non-group conversion on Municipality Insurance Enrollment and Change Form (Form-1MUN) before sending it to the GIC.
- 2) Instruct the employee to contact their health plan for a non-group conversion application, benefit changes, procedures and costs.

10 OR MORE YEARS OF SERVICE

Instruct the employee to contact their retirement board to confirm retirement eligibility. Employee must be vested and must keep retirement monies in the system.

Option I: Deferred Retiree Coverage: Advise employees that they have two health options under Deferred Retirement:

- a) Get health coverage elsewhere until retirement. Resume GIC health coverage at retirement.

Procedure: Direct the employee to check the Deferred Retiree block on the Municipality Insurance Enrollment and Change Form (Form-1MUN) and sign it before sending the form to the GIC.

- b) Keep health insurance paying 100% of the premium until retirement.

Procedure: Instruct the employee to check the deferred retiree block on Municipality Insurance Enrollment and Change Form (Form-1MUN), indicate his/her health selection and sign it before returning it the GIC.

For the other alternatives, see the benefits, drawbacks, and procedures under LESS THAN 10 YEARS OF SERVICE:

Option II: Keep GIC health benefits for 39-weeks.

Option III: Keep GIC health coverage under COBRA.

Option IV: Convert to Non-Group health coverage with current plan.

20 OR MORE YEARS OF SERVICE

Instruct the employee to contact their retirement board to confirm retirement eligibility. See the RETIREMENT section of this manual for important information and procedures.

Advise them that if they retire, they may continue to have the same health coverage as when working (plus annual increases).

Option I: Retirement Coverage.

- 1) On Municipality Insurance Enrollment and Change Form (Form-1MUN) check box 6 (Retirement) instead of box 9 (termination). Indicate the date of retirement and instruct the employee to review his or her health and life benefits, electing changes on Municipality Insurance Enrollment and Change Form (Form-1MUN) and signing it before returning it to the GIC.
- 2) If the employee elects to change health plans, he or she must also fill out the corresponding application (only if NHP Care is selected) and send it to the carrier.

Option II: Deferred Retirement Coverage (see benefits, drawbacks, and procedures for 10 OR MORE YEARS OF SERVICE:

- a. Get health coverage elsewhere until retirement. Resume GIC health coverage at retirement.
- b. Keep health insurance paying 100% of the premium until retirement.

For the following options, refer to the LESS THAN 10 YEARS OF SERVICE:

Option III: Keep GIC health coverage for 39-weeks.

Option IV: Keep GIC health coverage under COBRA.

Option V: Convert to Non-Group health coverage with current plan.

RETIREMENT

If an employee is eligible to retire from the municipality, he/she is eligible for GIC health coverage. Ensure that the employee has confirmed his/her retirement eligibility with his/her retirement board and applies for retirement benefits.

RETIREMENT PROCEDURES

- 1) On Municipality Insurance Enrollment and Change Form (Form-1MUN) check box 6 (Retirement). Indicate the date of retirement and instruct the employee to review his or her health and life benefits.
- 2) Review Municipality Insurance Enrollment and Change Form (Form-1MUN) for completeness and sign it.
- 3) Photocopy Municipality Insurance Enrollment and Change Form (Form-1MUN) and file in the employee's personnel file.
- 4) Send the **original** Municipality Insurance Enrollment and Change Form (Form-1MUN) to the GIC.
- 5) Update your payroll system.

CHANGING HEALTH PLANS AT RETIREMENT

Under Age 65 with GIC Coverage

At retirement an employee with GIC health coverage may change his/her health plans.

- 1) Instruct employee/retiree to indicate changes on Municipality Insurance Enrollment and Change Form (Form-1MUN) and sign it.
- 2) Instruct the employee/retiree to fill out the corresponding HMO application-only if NHP Care is selected.
- 3) Review the forms for completeness and sign.
- 4) Photocopy the forms and file them in the employee's personnel file.
- 5) Send the **original** forms to the GIC; send the NHP Care application, if elected, directly to the Plan.

Under Age 65 without GIC Coverage

If an employee is retiring and does not have GIC coverage, he/she may enroll in GIC coverage:

- 1) The employee/retiree completes and signs the following forms:
 - ❖ Municipality Insurance Enrollment and Change Form (Form-1MUN).
 - ❖ Insurance Data Form (IDF) for family coverage. Must also provide:
 - For spousal coverage – copy of marriage certificate.
 - For dependent coverage under age 19 – copy of birth certificate(s)
 - or dependent coverage age 19 or over – Dependent Age 19 or Over Application for Coverage and a copy of birth certificate.
 - For former spouse – provide following sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.
 - ❖ HMO Application – only if NHP Care is selected.
- 2) Verify that the forms above are completed accurately and completely. Ensure that both you and the employee/retiree have signed and dated all forms.
- 3) Photocopy completed GIC forms and file them in the employee/retiree's personnel file.
- 4) Send **original** signed forms to the GIC. Send the HMO, only if NHP Care is selected, directly to the Plan.

Age 65 or over With or Without GIC Coverage

If the employee or his/her spouse is 65 or over, instruct him/her and his/her spouse to contact Social Security to find out about their Medicare eligibility. If eligible, the employee and/or spouse must enroll in Medicare Part A and Part B. The GIC will contact the retiree about his/her health plan options, and the corresponding procedures.

GIC REPORTS

GIC COORDINATOR, TOWN MANAGER, OR ADDRESS CHANGE

Please be sure to notify the GIC of GIC Coordinator and Town Manager name, e-mail, and/or address changes. This will ensure that you continue to receive GIC materials and updates. Call the GIC Operations Department extension 7061 with these changes.

The GIC sends all GIC Coordinators the following reports on a monthly basis. Be sure to follow the enclosed procedures:

MONTHLY INSURANCE BILLING REPORT FOR MUNICIPALITIES

The Monthly Insurance Billing Report: The Monthly Insurance Billing Report is an electronic file sorted in alpha order of employees/retirees/survivors by agencies, who are insured with the Group Insurance Commission for Health Insurance Coverage:

1) Each month, review and verify the following information shown on the report:

- ❖ GIC ID Numbers and names for all insureds should agree with your agency's records.
- ❖ Coverage for each insured should agree with your agency's records.
- ❖ Status for each insured should agree with your agency's records.

2a) If the Monthly Insurance Billing Report contains incorrect GIC-ID numbers, names, coverage, or status, please indicate these discrepancies on the Statement of Verification (discrepancy report) with the following information:

- The agency/division number (as it appears on the report).
- The premium due month.
- Check off box "Discrepancies are as listed".

- Employee's GIC ID number (as it appears on the report).
- Employee's name (last, first, middle initial).
- Explanation of discrepancy:
 - Briefly describes the discrepancy.
 - Include the date and reason for all terminations of insurance coverage.
- Signature of Authorized Official and Date.

3a) Photocopy the Statement of Verification for your agency file.

4a) Send the **original** Statement of Verification to the Group Insurance Commission by the date requested.

2b) If the Monthly Insurance Billing Report contains no discrepancies, please send the Statement of Verification (discrepancy report) to the Group Insurance Commission with the following information:

- The agency/division number.
- The premium due month.
- Check off box "Agency has no discrepancies".
- Complete the bottom portion on the Discrepancy Report.
- Signature of Authorized Official and Date

3b) Photocopy the Statement of Verification for your agency file.

4b) Send the original Statement of Verification to the Group Insurance Commission by the date requested.

STATEMENT OF VERIFICATION FOR HEALTH INSURANCE COVERAGE
FOR MUNICIPALITIES

(Discrepancy Report)

(NOTE: This report is to sent to GIC every month. Keep the electronic file for future references.)

Please check one: ☐ Agency has no discrepancies

☐ Discrepancies are as listed

AGENCY/DIVISION NO.: _____ / _____

PREMIUM DUE MONTH: _____
(Example: Premium deducted in July is for the August premium due month)

GIC ID Number	Name	Explanation	GIC Use Only

Note: This discrepancy report should be used to report all differences to GIC. Please make as many copies as you need.

I hereby confirm that the information stated above is correct.

Signature of Authorized Official

Date

